

PERMIT CONDITIONS

CALJET, L.L.C.
Permit Number 96-0039
April 4, 1996

The numerical section references in this Permit are based on Maricopa County Air Pollution Control Rules and Regulations (Rules) in effect on the date of issuance of these Permit Conditions. In the event that these rules are revised to change the numerical references during the term of this Permit, the revised numbering system will apply to this permit.

GENERAL CONDITIONS:

1. **Annual Compliance Certification:** The Permittee shall file an annual compliance certification with the Maricopa County Department of Environmental Services (Department), Attn.: Air Quality Compliance Supervisor. The compliance certification shall be filed on a form and in the manner specified by the Maricopa County Air Pollution Control Officer (Control Officer).
2. **Certification:** Any document which is required to be submitted by this Permit or the Rules shall contain certification by a responsible official of truth, accuracy and completeness. This certification shall state that, based on information and belief formed after reasonable inquiry, the statements and information in the document are true, accurate and complete.
3. **Controls:** Except as provided by the applicable Rules or these Permit Conditions, the Permittee shall not operate any equipment or process unless air pollution controls, required by either this Permit or the Rules, are in place, are operating without bypass, and are operating within their design parameters and in accordance with any other conditions specified in this Permit. This requirement to operate any required air pollution control equipment may be temporarily waived:
 - a. for good cause if advanced written approval is obtained from the Control Officer, or
 - b. for preventative maintenance of the control device if the shutdown is allowed in the control's Operation and Maintenance Plan which has been approved in writing by the Control Officer.

The Permittee shall notify the Control Officer, in accordance with Rule 220, before making any additions, modifications or replacements to any air pollution control equipment. This notification requirement does not apply to normal maintenance and repair activities.

4. **Fees:** The Permittee shall pay, in a timely manner, an annual fee for this Permit as determined by the Control Officer in accordance with Rule 280.
5. **Fugitive Dust:** The Permittee shall take all reasonable precautions to minimize the emissions of fugitive dust in accordance with §300 of Rule 310.

6. **Leased/Rented/Borrowed Equipment:** If the Permittee leases, rents, or lends any equipment covered by this permit to a second party, the Permittee shall provide the second party with a copy of this Permit. It is the responsibility of the person using the equipment to make sure that the equipment is properly permitted and operated. If the Permittee does not provide the second party with a copy of this Permit, both the Permittee and the second party shall be responsible for operating the source in compliance with the Permit and for any violation thereof.
7. **Maintenance:** The Permittee shall keep all equipment under this Permit in good working order through an active maintenance program established in accordance with the approved Operation and Maintenance Plans or, in its absence, with manufacturers' recommendations, and generally accepted industry standards.
8. **Malfunctions (Emergency Upsets):** A malfunction that causes emissions in excess of those allowable by either the Rules or these Permit Conditions shall constitute a violation. Any affirmative defense of a violation caused by a malfunction shall be documented in accordance with §501 of Rule 100.
9. **Modifications:** The Permittee shall notify the Control Officer, in accordance with the Rules, of changes, replacements or additions to the source which are not covered by this Permit.
10. **Operations:** The Permittee shall operate all equipment and processes in accordance with these Permit Conditions, applicable approved operations and maintenance plans, and all applicable requirements of Federal laws, Arizona laws, and Maricopa County Air Pollution Control Rules and Regulations.

The Permittee shall halt or reduce activities if necessary in order to maintain compliance with these Permit Conditions, all approved operations and maintenance plans, and all applicable requirements of Federal laws, Arizona laws, and Maricopa County Air Pollution Control Rules and Regulations.

11. **Portable Sources:** If this Permit is for a portable source, the Permittee shall notify this Department, Attn.: Air Quality Compliance Supervisor, in writing at least ten days in advance of moving to any location in Maricopa County. The notification shall include, at a minimum, the information required by §410 of Rule 200.

If the proposed location will have additional sources of air pollution under the control of the Permittee, the notification shall also contain a summary of the projected and allowable emissions for these additional sources.

The ten day notification requirement may be waived if both of the following conditions are met:

- a. the Permittee can demonstrate to the satisfaction of the Control Officer that an emergency situation existed, and
- b. the Permittee notifies the Department of the required information by telephone as soon as is practical and follows up with a written copy within seven days.

The Permittee shall submit any fees required by Rule 280 at the time that the notification is filed.

If the Permittee obtains an air quality permit from the Arizona Department of Environmental Quality (ADEQ) for any source covered by this Permit, the Permittee shall provide a copy of the ADEQ permit to the Department within 30 days of its issue.

12. **Record Keeping:** The Permittee shall maintain accurate records as required by these Permit Conditions and by Section 500 of all applicable Rules. These records will be kept in a form which allows easy verification of compliance with these Permit Conditions and any applicable Rules.

All records shall be kept for a minimum of three years except that all records required to demonstrate that an air pollution control device is being operated properly shall be retained for five years.

All records required by this Permit shall be made available for inspection upon request by a representative of the Control Officer.

Upon request, the Permittee shall furnish to the Control Officer copies of records required to be kept by this permit.

13. **Renewal:** The Permittee shall file an application for a permit renewal at least six months, but not more than 18 months, before the expiration date of this Permit.

14. **Reopening For Cause:** This Permit shall be reopened or revised prior to expiration under any of the following conditions:

- a. either the Control Officer or the Administrator of the United States Environmental Protection Agency (Administrator) determines that this Permit contains a material mistake or that inaccurate statements were made in

establishing the emission standards or other terms or conditions of this Permit, or

- b. either the Control Officer or Administrator determines that this Permit must be revised or revoked to assure compliance with the applicable requirements.

15. **Reporting:** If notified, the Permittee shall submit an annual emissions inventory report to the Control Officer. The report shall summarize the activities and air pollution emissions from the facility during the previous calendar year in accordance with §507 of Rule 100. The report shall be filed on a form supplied by the Control Officer and shall be due by April 30 or 90 days after the Control Officer makes the forms available, whichever is later.

The Permittee shall furnish to the Control Officer, within a reasonable time, any information that the Control Officer may request in writing to determine whether cause exists for revising or revoking and reissuing this Permit or to determine compliance with this Permit.

Upon request, the Permittee shall furnish to the Control Officer copies of records required to be kept by this Permit.

The Permittee shall file any additional reports required by the Control Officer in a complete and timely manner.

16. **Right to Entry:** The authorized representative of the Control Officer, upon presentation of credentials, shall be permitted:
- a. to enter upon the premises where the source is located or emissions-related activity is conducted, or in which any records are required to be kept under the terms and conditions of this Permit, and
 - b. to have access to and copy, at reasonable times, any records required to be kept under the terms and conditions of this Permit, and
 - c. to inspect any source, at reasonable times, equipment (including monitoring and air pollution control equipment), practices or operations regulated or required in this Permit, and
 - d. to sample or monitor, at reasonable times, substances or parameters for the purpose of assuring compliance with this Permit or other applicable requirements, and
 - e. to record any inspection by use of written, electronic, magnetic, and photographic media.

No claim of confidentiality for trade secrets or commercial information available to the Permittee under Arizona Revised Statutes (ARS) 49-487 or Rule 200 §400 can limit the scope of or otherwise interfere with an on-site inspection by a representative of the Control Officer.

17. **Rights and Privileges:** This Permit does not convey any property rights nor exclusive privileges of any sort.

18. **Severability:** The provisions of this Permit are severable, and, if any provision of this Permit is held invalid, the remainder of this Permit shall not be affected thereby.
19. **Start-up Notification:** The Permittee shall give written notification to the Department, Attention Compliance Supervisor, at least 7 days but no more than 30 days before the initial start-up of any new equipment or process. Start-up shall be defined as the use of any equipment or process covered by this Permit in a manner that emits or controls a regulated air pollutant. However, startup shall not be considered as having occurred if the equipment or process is operated solely for the purpose of calibration or test runs.

This startup notification does not apply to processes or equipment recognized by the Control Officer as being trivial or insignificant activities.

20. **Temporary Equipment:** The Permittee shall notify the Control Officer and obtain appropriate approval, in accordance with the Rules, prior to the installation or operation of any temporary or contractor operated equipment not covered by this Permit.

SPECIFIC CONDITIONS:

21. Allowable Emissions: The Permittee shall not allow emissions into the atmosphere to exceed any of the following:

	Daily Emission Limit	Twelve Month Rolling Average Emission Limit
Total Volatile Organic Compounds (VOCs)	300 pounds	49.9 tons
Any Single Hazardous Air Pollutant (HAP)	55 pounds	9.9 tons
Total Hazardous Air Pollutants (HAPs)	150 pounds	24.9 tons
Carbon Monoxide (CO)	150 pounds	24.9 tons
Oxides of Nitrogen (NO _x)	150 pounds	24.9 tons
Oxides of Sulfur (SO _x)	150 pounds	24.9 tons
Total Suspended Particulate Matter (TSP)	150 pounds	24.9 tons
Particulate Matter Smaller Than 10 Microns (PM ₁₀)	85 pounds	14.9 tons

The twelve month rolling average shall be calculated by summing the emissions for the most recent twelve calendar months.

22. **Operations and Maintenance Plans:**
- The Permittee shall provide an acceptable Operations and Maintenance (O&M) plan for each vapor control device. This shall be done in accordance with the Department's guidelines within 90 days of the issuance of the permit.
 - The Permittee shall utilize each vapor control device in accordance with the O&M plan.
 - The O&M Plan shall include requirements for training employees who are responsible for operating or maintaining the equipment.

Bulk Storage Tanks

23. **General Requirements:**
- Organic Liquid Storage Tanks Of 20,000 Through 39,999 Gallons Capacity (75,700 - 151,396 L):
No person shall store organic liquids with a true vapor pressure of 1.5 through 11.0 psia (77.5 - 569 mm Hg) in a stationary tank with a capacity from 20,000 through 39,999 gallons (75,700 - 151,396 l) unless the tank is equipped with a

vapor recovery system which collects and returns displaced vapors to the delivery vessel using vapor-tight fittings and lines; or such tank uses at least one of the vapor loss control methods specified in Permit Condition 24, 25 or 27.

b. **Storage Tanks Of 40,000 Gallons (151,400 L) Or More:**

The Permittee shall not place, store or hold in any stationary storage tank having a capacity of 40,000 gallons (151,400 L) or more, any gasoline or organic liquid having a true vapor pressure of 1.5 psia (77.5 mm Hg) or greater under actual storage conditions, unless such storage tank is equipped with at least one of the vapor loss control devices specified in Permit Condition 24, 25 or 27.

24. External Floating Roof Storage Tanks:

- a. The external floating roof must rest on and be supported by the surface of the liquid contents, be equipped with a continuous primary seal to close the space between the roof eave and tank wall, except as provided in Permit Condition #26, and have a continuous secondary seal which is of a design that is in accordance with accepted standards of the petroleum industry.
- b. The secondary seal is to be installed above the primary seal so that it completely covers the space between the roof edge or primary seal and the tank wall, except as provided in Permit Condition #24c. Except for tanks having metallic shoe primary seals onto which secondary seals were installed prior to July 13, 1988, storage tanks constructed after July 13, 1988, shall have a secondary seal that is rim-mounted.
- c. The accumulated area of gaps between the tank wall and the secondary seal shall not exceed 1.0 square inch per foot (21.2 cm² per meter) of tank diameter. Determinations of gap area shall only be made at the point(s) where the gaps exceed 1/8 inch (3 mm). The width of any portion of any gap shall not exceed 1/2 inch (1.27 cm).
- d. The Permittee is exempted from the requirements for secondary seals and the secondary seal gap criteria when performing gap measurements or inspections of the primary seal.

25. Internal Floating Roof Storage Tanks With Fixed Covering:

- a. Internal floating roof storage tanks shall be a covered tank with the internal floating roof resting on the contained liquid.
- b. Bulk terminal tanks for which construction, reconstruction or modification commenced after July 23, 1984, must comply with all applicable requirements of the EPA New Source Performance Standard (NSPS), 40 CFR Part 60, Subpart Kb.
- c. All tanks not subject to Permit Condition #25b must comply with one of the following:
 1. Comply with 40 CFR Part 60, Subpart Kb, notwithstanding the type of facility and the date of tank construction, reconstruction or modification; or
 2. Have at least one continuous seal which completely covers the space between the roof edge and tank wall, except as provided in Permit Condition #25a, and meet at least one of the following requirements:

- (1) Have a contact-type roof resting completely on the liquid surface.
- (2) Have a liquid mounted seal.
- (3) Have two seals, a primary and a secondary.

26. **Prohibition - Floating Roof Openings:**

- a. Floating roof tanks subject to the provisions of Permit Condition #24 or #25 shall have no visible holes, tears or other openings in the seal or in any seal fabric. The accumulated area of gaps between a tank's wall and primary seal shall not exceed 10 square inches per foot of tank diameter (212 cm² per meter) and the width of any portion of any gap shall not exceed 1½ inches (3.8 cm). Where applicable, all openings except drains shall be equipped with a cover seal or lid. The cover seal or lid shall be in a closed position at all times, except when the device is in actual use. Automatic bleeder vents shall be closed at all times, except when the roof is floated off or landed on the roof leg supports. Rim vents, if provided, shall be set to open only when the roof is being floated off the roof leg supports or at the manufacturer's recommended setting.
- b. Tanks and all required emission control equipment shall be properly installed, properly maintained and be properly operating.

27. **Vapor Collection/Processing System:**

- a. This vapor loss control device consists of a vapor gathering subsystem capable of collecting the organic vapors and organic gases plus a second subsystem capable of processing such vapors and gases, preventing at least 95 percent by weight of the volatile organic compounds entering it from escaping to the atmosphere.
- b. The vapor processing subsystem shall be gas-tight except for the designated exhaust.
- c. Any tank gauging or sampling device on a tank, vented to such a vapor collection/processing system, shall be equipped with a gas-tight cover which shall be closed at all times except during gauging or sampling procedures.
- d. All pressure-vacuum valves shall be constructed and maintained in a gas-tight condition except when the operating pressure exceeds the valve release setting.

28. **Inspections:**

- a. Annual Inspections Of External Floating Roof Tanks:
The Permittee of any tank which uses an external floating roof to meet the vapor loss control requirements of this rule shall make the primary seal envelope and the secondary seal available for unobstructed inspection by the Control Officer on an annual basis. The primary seal envelope shall be made available for inspection at a minimum of four locations selected along its circumference at random by the Control Officer. If the Control Officer detects a violation as a result of any such inspection, the Control Officer may require such further unobstructed inspection of the seals as may be necessary to determine the seal condition for its entire circumference.
- b. Annual Inspections Of Internal Floating Roof Tanks:

The Permittee of any tank which uses an internal floating roof to meet the vapor loss control requirements of this rule shall make the entire tank including the internal floating roof available for inspection prior to filling. It shall be made available for visual inspection through the manholes or roof hatches on the fixed covering on an annual basis. Roofs which practicably can be walked on shall annually be made available for hands-on inspection.

c. Five-Year, Full Circumference Inspections:

As of July 13, 1988, floating roof tanks of 20,000 gallons (75,700 l) or more, storing an organic liquid with a true vapor pressure of 1.5 psia (77.5 mm Hg) or greater, shall have the primary seal envelope made available for inspection by the Control Officer, for its full length, every five years. However, if prior thereto the secondary seal is removed or if the tank is drained and cleaned by the Permittee for any reason, it shall be made available for such inspection at that time. The Permittee shall provide notification to the Control Officer no less than seven working days prior to removal of the secondary seal. The Permittee shall perform a complete inspection of the primary seal and floating roof, including measurement of gap area and maximum gap, whenever the tank is emptied for non-operational reasons or at least every five years, whichever is more frequent.

- d. Semi-Annual Inspections By the Permittee:
The Permittee shall inspect the tank and seals at least once every six months to determine ongoing compliance with the applicable standards of Rule 350 and any permit conditions pertaining to the tank. Determinations of secondary seal gap area on external floating roofs need be made only once per year. Records of these inspections shall be maintained and shall be made available to the Control Officer upon request.

29. **Record Keeping:**

- a. The Permittee shall keep records of the results of the following in a common file:
 - 1. The results of the annual relief valve inspection.
 - 2. The results of the annual seal inspection.
 - 3. The results of the semi-annual tank and seal inspection.
- b. The Permittee, whose tanks are subject to the provisions of Rule 350, shall keep accurate records of liquids stored in such tanks including either the true or the Reid vapor pressure ranges of each such liquid. The temperature of the contents of each affected tank shall be recorded at least weekly and the true vapor pressure of each shall be recorded at least once each month. These records shall be kept a minimum of three years.
- c. The results of the monthly and annual loading rack leak detection inspection shall be kept with the annual seal inspection.

Fuel Loading Equipment

30. **General Requirements:**

The Permittee shall not load organic liquids having a true vapor pressure of 1.5 psia (77.5 mm Hg) or greater into any delivery vessel from a stationary storage tank at a bulk terminal unless the vessel bears a current pressure-test decal issued by the Control Officer and the terminal uses a vapor collection/processing system which reduces the emissions of volatile organic compounds to not more than .08 pounds per 1000 gallons of such liquids transferred (10 grams per 1000 liters). Switch loading shall be subject to this standard. The Permittee and the operator of the receiving vessel shall act to ensure that the vapor line is connected before such liquids are transferred.

31. **Operating Requirements For Vapor Loss Control Devices:**

The Permittee shall operate the vapor loss control device and organic liquid transfer equipment as follows:

- a. Loading shall be accomplished in a manner that prevents gauge pressure from exceeding 18 inches of water (33.6 mm Hg) and vacuum from exceeding six inches of water (11.2 mm Hg) in the tank truck. The Permittee shall act to ensure that the vapor recovery system is connected between the delivery vessel and the storage tank during all organic liquid transfers.
- b. Loading shall be accomplished in a manner that prevents overfills, fugitive liquid leaks or excess organic liquid drainage. The Permittee shall observe all parts of the transfer and shall discontinue transfer if any leaks are observed. Measures shall be taken to prevent liquid leaks from the loading device when it is not in use, and to complete drainage before the loading device is disconnected. During loading or unloading operations, potential leak sources shall be vapor tight.
- c. Loading operations which use vapor collection/processing equipment shall be accomplished in such a manner that the displaced vapor and air will be vented only to the vapor collection/processing system, which shall be operated gas-tight and in a manner such that the vapor processing capacity is not exceeded. Diaphragms used in vapor storage tanks shall be maintained gas-tight.
- d. Vapor transfer lines shall be equipped with fittings that are vapor tight and that automatically and immediately close upon disconnection.

32. **Equipment Maintenance And Operating Practices:**

All equipment associated with delivery and loading operations shall be maintained to be leak free, vapor tight and in good working order. Gasoline shall not be spilled, discarded in sewers, stored in open containers, or handled in any other manner that would result in evaporation to the atmosphere. Purging of gasoline vapors is prohibited.

33. **Repair And Retest Requirement:**

Except as superseded by Department actions pursuant to the procedures of Rule 100, Section 501 ("Malfunctions"), the Permittee shall notify the Control Officer of exceedances of the standards of these permit conditions and observe the following time schedule in ending such exceedances:

- a. Concentrations at or above the lower explosive limit must be brought into compliance within 24 hours of detection.
- b. Leak concentrations exceeding 10,000 ppm but less than 50,000 ppm as methane for vapor collection/processing equipment subject to gas-tight standard shall be brought into compliance within 5 days of detection.

- c. Except as the Control Officer otherwise specifies, a leak source must be tested after presumed leak-correction within 15 minutes of recommencing use; if leak standards are exceeded in this test, the use of the faulty equipment shall be discontinued within 15 minutes until correction is verified by retesting.

34. **Equipment Leaks:**

- a. The Permittee shall also perform monthly inspections, while vapor is being transferred, for liquid and vapor leaks and for faulty equipment. In these monthly inspections detection methods incorporating sight, sound, smell and/or touch may be used.
- b. A log book shall be used and shall be signed by the Permittee at the completion of each monthly inspection for equipment leaks. A section of the log shall contain a list, summary description, or diagram(s) showing the location of all equipment in gasoline service at the facility.
- c. Leak detection tests shall be conducted annually by the Permittee or by a consultant, at the expense of the Permittee. Testing shall be done according to procedures in Rule 351, Section 501, except that EPA Method 21 shall be used to test for leaks from a vapor collection/processing unit and its associated piping outside the loading area. Equipment shall conform to the specifications of those test methods stated in Rule 351, Section 504.2. Prior to testing, the Permittee shall notify the Control Officer of the date, time and location of the testing. The Control Officer or his representatives shall at their discretion observe the tests.

35. **Record Keeping:**

The results of the monthly and annual loading rack leak detection inspection shall be kept with the annual seal inspection.

Thermal Oxidizer Vapor Control Unit

36. **Testing:**

- a. The Permittee shall conduct an emissions test on the thermal oxidizer vapor control unit within 60 days after the equipment has achieved the capability to operate at its designed capacity on a sustained basis. This time frame may be extended by the Control Officer for good cause, but in no case shall the testing period extend for more than 180 days after the initial startup of the equipment. Pursuant to Rule 350, Section 308, testing of the thermal oxidizer vapor control unit shall be performed for volatile organic compounds, to demonstrate a destruction efficiency of at least 95% by weight. The testing shall be conducted in accordance with USEPA approved test procedures.
- b. The Permittee shall submit test protocol to the Department for review and approval at least 30 days prior to the emissions test. A fee for each stack to be tested, as required by Rule 280, shall be submitted with the test protocol.
- c. The Permittee shall notify the Department in writing at least two weeks in advance of the actual time and date of the emissions test so that the Department may have a representative attend.

- d. The Permittee shall complete and submit a report to the Department within 30 days after completion of the emissions test. The report shall summarize the results of the testing in sufficient detail to allow a compliance determination to be made.